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## **FACULTY AND STAFF COMPENSATION SYSTEMS, LEVELS AND BENEFITS**

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Littleford & Associates has been retained by over 500 schools world wide to assist with the analysis of faculty salary systems, workload assessments, salary levels, and benefits design. Faculty salaries and benefits make up 60% to 85% of the budget of most schools. In today's challenging economic environment, boards are worried about managing the school's endowment and about meeting annual giving and/or capital campaign targets. Equally important in the realm of financial management is for boards to ask how wisely the school is spending its money allocated for its most important resource- the faculty.

Littleford & Associates has assisted schools in implementing successfully flexible salary systems that incorporate the concepts of a career ladder, "range", "band", performance based pay and other creative compensation designs that are based on criteria in addition to longevity of service, advanced degrees and extra pay for extra work.

"Range", "band" or "broad banding" and "career ladder" are similar terms describing the same concept. They refer to a faculty compensation system that provides the predictability of future earning power that teachers crave, while providing schools with the flexibility to reward those who make the greatest contributions to teaching quality, school life and workload. Thus, these systems can reward good teaching, as opposed to some traditional or public school models that encourage teachers to leave the teaching environment for administrative positions offering more pay.

Establishing at the outset a philosophy of compensation for the salary delivery system and for the benefits structure is imperative.

Most schools have limited knowledge or experience of effective benefit designs that provide flexibility for teachers and other staff based on their varying needs. Those needs vary by age, career stage and family status. Effective benefit systems take these differences into account, while controlling costs. "Cafeteria plans", "benefit banks", "flexible spending accounts", and "reimbursement accounts" are just a few such systems.

In benefits management, schools are challenged by demands for medical coverage for families, for



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those who have retired but are under age 65, and for long-term care. These same schools are also confronted by single teachers who are concerned about "discriminatory" benefits that support teachers with families but not singles. These include tuition remission, family medical coverage and other similar "family" oriented programs.

Littleford & Associates tracks the patterns of faculty and staff compensation worldwide and can provide helpful, appropriate advice that fits with the culture of the school and the schools location. In all of the schools with which we have worked, none have come to the same conclusions or adopted the same salary system or benefit system design in the end. However, ALL have developed a more intelligent and thorough understanding of the effect of their current compensation practices and how they encourage or damage relationships with current and prospective teachers. Most have been able to introduce more elements of flexibility and predictability without taking the school down the slippery slope of more stipends for which no job will be done without extra pay or down the path of increasingly expensive benefits without tradeoffs, both of which the fiscally responsible board fears.